

## **Statement by the Spokesperson on the latest ballistic missile launch by the Democratic People's Republic of Korea**

The launch earlier today of a ballistic missile by the Democratic People's Republic of Korea (DPRK) seriously violates multiple United Nations Security Council Resolutions. This and previous launches constitute a threat to international peace and security and further aggravate tensions in the region at a time when de-escalation is instead needed.

The DPRK is expected to comply with its international obligations: it must halt these launches and abandon its ballistic missiles programmes in a complete, verifiable and irreversible manner. The same holds true for its nuclear, nuclear weapons and all other weapons of mass destruction programmes.

The European Union calls on the DPRK to engage in a credible and meaningful dialogue with the international community. The European Union is ready to support such a process for dialogue. The High Representative/Vice-President, Federica Mogherini will remain in close contact in the coming days with all of the European Union's international partners, following her address to the UN Security Council earlier this week and her visits to Beijing, New Delhi and Moscow last month.

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## **Xi highlights peace, prosperity, opening up of Belt and Road**



Chinese President Xi Jinping delivers a keynote speech at the opening ceremony of the Belt and Road Forum for International Cooperation in Beijing, capital of China, May 14, 2017. (Xinhua/Li Xueren)

Chinese President Xi Jinping said Sunday the Belt and Road should be built into a road of peace, prosperity, opening up, innovation and connecting different civilizations.

He proposed the five guiding principles for the pursuit of the Belt and Road initiative while delivering a keynote speech at the opening of the two-day Belt and Road Forum for International Cooperation in Beijing.

“The ancient silk routes thrived in times of peace, but lost vigor in times of war. The pursuit of the Belt and Road Initiative requires a peaceful and stable environment,” said Xi.

“We should foster a new type of international relations featuring win-win cooperation; and we should forge partnerships of dialogue with no confrontation and of friendship rather than alliance,” he said.

He called for fostering the vision of common, comprehensive, cooperative and sustainable security, and creating a security environment built and shared by all.

The president urged the Belt and Road to be built into a road of prosperity.

“In pursuing the Belt and Road Initiative, we should focus on the fundamental issue of development, release the growth potential of various countries and achieve economic integration and interconnected development and deliver benefits to all,” he said.

Stressing infrastructure connectivity, Xi called for promoting land,

maritime, air and cyberspace connectivity, focusing on key passageways, cities and projects, and connecting networks of highways, railways and sea ports.

He called for joint efforts to improve trans-regional logistics network and promote connectivity of policies, rules and standards so as to provide institutional safeguards for enhancing connectivity.

“We should build an open platform of cooperation and uphold and grow an open world economy,” Xi said.

“We should jointly create an environment that will facilitate opening up and development, establish a fair, equitable and transparent system of international trade and investment rules and boost the orderly flow of production factors, efficient resources allocation and full market integration,” he continued.

China welcomes the efforts made by other countries to grow open economies, participate in global governance and provide public goods, he said.

“Together we can build a broad community of shared interests,” he said.

Xi also underlined the role of innovation in pursuing the initiative.

“We should pursue innovation-driven development and intensify cooperation in frontier areas such as digital economy, artificial intelligence, nanotechnology and quantum computing, and advance the development of big data, cloud computing and smart cities so as to turn them into a digital silk road of the 21st century.”

Xi urged efforts to strengthen cooperation in ecological and environmental protection and build a sound ecosystem so as to realize the goals set by the 2030 Agenda for Sustainable Development.

“We should ensure that when it comes to different civilizations, exchange will replace estrangement, mutual learning will replace clashes, and coexistence will replace a sense of superiority,” he said.

Xi called for establishing a multi-tiered mechanism for cultural and people-to-people exchanges, building more cooperation platforms and opening more cooperation channels.

The forum, the highest-level international meeting since Xi proposed the Belt and Road Initiative in 2013, gathers 29 foreign heads of state and government leaders as well as delegates from some 130 countries.

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# China scales up financing support for B&R Initiative



Chinese President Xi Jinping and other delegates attending the Belt and Road Forum (BRF) for International Cooperation pose for a group photo in Beijing, capital of China, May 14, 2017. Xi attended the opening ceremony of the forum and delivered a keynote speech. (Xinhua/Pang Xinglei)

President Xi Jinping said Sunday that China will contribute an additional 100 billion yuan (about US\$14.5 billion) to the Silk Road Fund to scale up financing support for the Belt and Road Initiative.

Xi made the announcement when delivering a keynote speech at the opening ceremony of the two-day Belt and Road Forum for International Cooperation.

Designed to finance the Belt and Road Initiative, the Silk Road Fund was officially founded in December 2014 and jointly backed by China's foreign exchange reserves, the China Investment Corp., the Export-Import Bank of China (China EximBank) and China Development Bank (CDB).

To provide more funding for Belt and Road cooperation, China will also encourage financial institutions to conduct overseas RMB fund business with an estimated amount of about 300 billion yuan, Xi said.

In addition, the CDB and the China EximBank will set up special lending schemes respectively worth 250 billion yuan equivalent and 130 billion yuan equivalent to support Belt and Road cooperation on infrastructure, industrial capacity and financing, he said.

China will also work with the Asian Infrastructure Investment Bank (AIIB), the BRICS New Development Bank, the World Bank and other multilateral development institutions to support Belt and Road related projects, Xi said.

Financing bottleneck is a key challenge to realizing connectivity. China has engaged in multiple forms of financial cooperation with countries and organizations involved in the Belt and Road Initiative.

The AIIB has provided 1.7 billion U.S. dollars of loans for nine projects in Belt and Road participating countries.

The Silk Road Fund has made four billion U.S. dollars of investment, and the 16+1 financial holding company between China and Central and Eastern European countries has been inaugurated.

A multi-tiered Belt and Road financial cooperation network has taken an initial shape, Xi said in the speech.

China will also work with other parties concerned to jointly formulate guidelines for financing the Belt and Road related development projects, he said.

Proposed by Xi in 2013, the Belt and Road Initiative is a grand plan to connect Asia with Europe and Africa along, and beyond, ancient trade routes by putting in place an unparalleled trade and infrastructure network.

So far, the initiative has won support from more than 100 countries and international organizations, of which over 40 have signed cooperation agreements with China.

A total of 29 foreign heads of state and government leaders attended the forum. Other delegates include officials, entrepreneurs, financiers and journalists from over 130 countries, and representatives of key international organizations.

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## [Why is the Bank of England so mesmerised by Brexit?](#)

The latest report from the MPC of the Bank is as muddled as ever. They record that their February forecast was too optimistic on growth, too pessimistic on unemployment, and got inflation wrong. This time they have boosted their ideas of UK growth next year and the year after to more realistic levels, but taken 0.1% off this year after big upwards revisions last time.

They keep referring to inflation going up thanks to lower sterling, and trying to find a Brexit related explanation to other changes. It's as if they forget we are in an active global economy with many linkages to the world. They did not ask themselves why UK inflation has gone up about the same as German and a bit less than the US. They forgot that dollar oil price rises underlay much of the US inflation, just as it underlay inflation in other countries that had not had a fall in their domestic currencies. They seemed to fail to make the link between weaker first quarter growth in the UK and also considerably weaker first quarter growth in the US where the currency has been strong and in most of the Euro area.

Weak first quarters on both sides of the Atlantic owed much to a mild winter hitting energy output and demand. Higher inflation in most places was related to the oil price and general commodities. This quarter oil and commodity prices have fallen, the pound has risen and in the UK the weather has been colder for the time of year. All this points to another change of direction for inflation and output. They asked if weak UK cars sales in April means weak consumer confidence. Surely it is instead the response to large rises in VED in the budget which may reduce sales for more than one month, just as Buy to Let taxes are still hitting the second hand homes market.

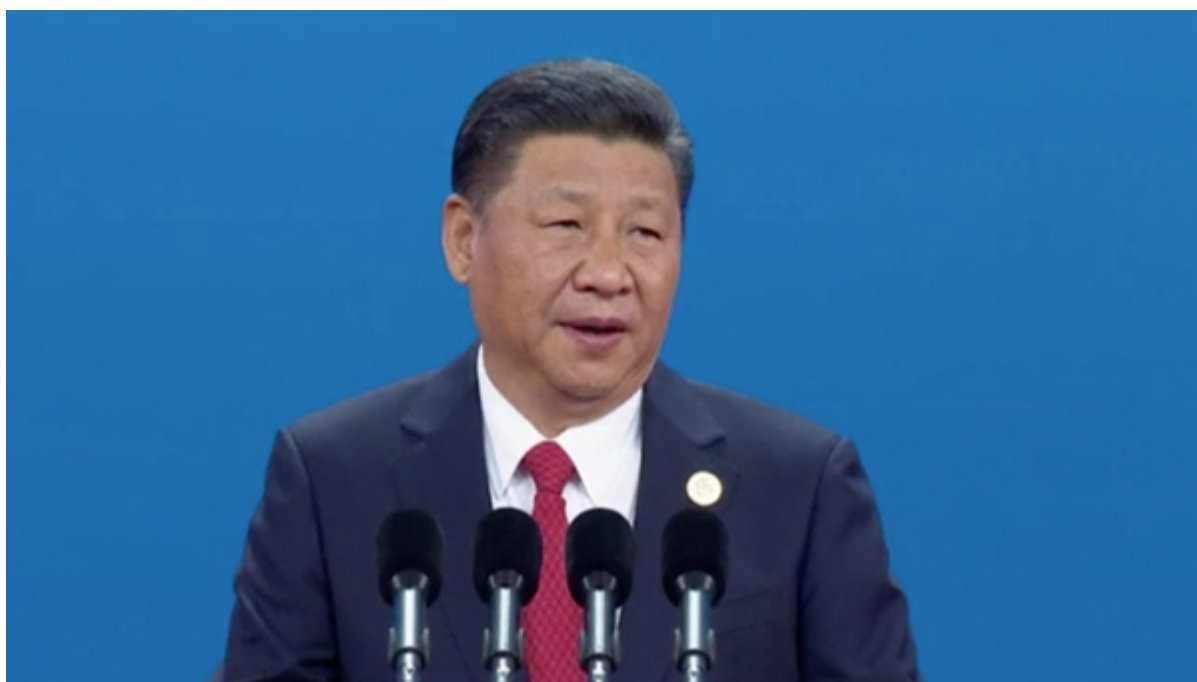
It looks as if there will continue to be a synchronised recovery in the main economies. It is difficult to see much sterling effect on prices given the way UK inflation has moved as in other expanding economies with stronger currencies. It is also difficult to see why Brexit should have the impact on the Banks forecasts, as they helpfully assume a smooth Brexit as their base case.

I do agree with their decision to put up their output forecasts for the next two years, and their upward revision to employment.

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## [Chinese president inaugurates Belt and Road forum](#)



Chinese President Xi Jinping is delivering a keynote speech at the opening ceremony of the Belt and Road Forum for International Cooperation on Sunday morning. [Photo/CGTN]

Chinese President Xi Jinping on Sunday said the Belt and Road Initiative is “a project of the century” that will benefit people across the world.

Xi made the remarks when delivering a keynote speech at the opening ceremony of the two-day Belt and Road Forum for International Cooperation.

Named after the historic Silk Road, the Belt and Road Initiative was proposed by Xi in 2013 to chart out new territories for international cooperation.

“Spanning thousands of miles and years, the ancient silk routes embody the spirit of peace and cooperation, openness and inclusiveness, mutual learning and mutual benefit,” Xi told an audience of more than 1,500 from across the globe.

“The Silk Road spirit has become a great heritage of human civilization,” he said.

A total of 29 foreign heads of state and government leaders attended the forum, including Russian President Vladimir Putin.

Other delegates include officials, entrepreneurs, financiers and journalists from over 130 countries, and representatives of key international organizations, such as UN Secretary-General Antonio Guterres, World Bank President Jim Yong Kim, and Managing Director of the International Monetary Fund Christine Lagarde.

The United States sent a delegation led by Matt Pottinger, special assistant to the president and senior director for Asia at the National Security Council.

By all means, the forum, which also features a round-table summit of global leaders on Monday, is one of the premium gatherings in today’s world, and the most prestigious international assembly China has ever inaugurated.

At the center of its focus is Xi’s grand plan to better combine the rapidly expanding Chinese economy with the development of Asia, Europe and Africa.

Now a catchphrase both domestically and abroad, the Belt and Road Initiative is essentially a new inclusive platform on which countries in Eurasia and beyond can strengthen economic and cultural cooperation to achieve common prosperity.

By linking countries and regions that account for about 60 percent of the world’s population and 30 percent of global GDP, the initiative is a perfect example of China offering its own wisdom and solutions to global governance, said Wang Yiwei, a professor at the School of International Relations at Renmin University of China.

“It features inclusive and sustainable growth and takes into account development needs of different countries and regions for common prosperity,” he said.